

**CHAPTER NO. 382**

**HOUSE BILL NO. 933**

**By Representative McDonald**

**Substituted for: Senate Bill No. 752**

**By Senator Graves**

AN ACT to amend Tennessee Code Annotated, Title 12, Chapter 3, to enact the "State and Local Purchasing Act of 1999", relative to purchasing by state agencies and local governments.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. This act may be cited as the "State and Local Purchasing Act of 1999."

SECTION 2. It is the intent of the General Assembly that this act:

(1) Enable state agencies and local governments to reduce the cost of the purchasing process by distributing their solicitations and receiving bids, proposals, and other offers electronically.

(2) Promote the most efficient use of staff resources and the best possible pricing by simplifying the process for the joint bidding of purchases and contracts by two (2) or more entities.

(3) Ensure on an ongoing basis that state law enables state agencies and local governments to apply the best available technology by creating a standing advisory group to keep the General Assembly advised of needed statutory changes.

SECTION 3. Tennessee Code Annotated, Title 12, Chapter 3, Part 7, is amended by adding the following new section:

12-3-704. Notwithstanding any provision of law, rule or regulation to the contrary, state agencies and local governments may satisfy any requirement for mailing by distributing invitations to bid, requests for proposals and other solicitations electronically. In addition, state agencies and local governments may receive bids, proposals, and other offers electronically. In order to assure the fullest possible participation of small businesses and minority owned businesses, state agencies and local governments shall not require such small businesses and minority owned businesses to receive or respond to invitations to bid, requests for proposals, or other solicitations electronically.

SECTION 4. Tennessee Code Annotated, Title 12, Chapter 3, Part 10, is amended by adding the following new section:

12-3-1009. Any municipality, county, utility district, or other local government of the state may participate in, sponsor, conduct or administer a cooperative purchasing agreement for the procurement of any supplies, services or construction with one or more other local governments in accordance with an agreement entered into between the participants. Such cooperative purchasing may include, but is not limited to, joint or multi-party contracts between local

governments. Where the participants in a joint or multi-party contract are required to advertise and receive bids, it shall be sufficient for those purposes that the purchasing entity comply only with its own purchasing requirements.

SECTION 5. Tennessee Code Annotated, Title 12, Chapter 3 is amended by adding the following new part:

#### PART 11—ADVISORY COMMITTEE FOR USE OF THE INTERNET

12-3-1101. There is created a state and local government advisory committee to monitor all initiatives related to the use of the Internet for purchasing by state agencies and local governments and to advise the General Assembly of any needed changes in law. The committee shall consist of eight (8) members, as follows: the Commissioner of General Services or his designee; the Comptroller of the Treasury or his designee; one (1) person having technical knowledge of information services and the Internet, to be appointed by the Information Systems Council; one (1) person to be appointed by the Tennessee City Manager's Association; two (2) persons appointed by the Tennessee Association of Public Purchasing, one (1) to be a municipal purchasing officer, and one (1) to be a county purchasing officer; and one (1) person from the private sector to be appointed by the Governor. The members of this committee shall serve without additional compensation, except that any member of the board who is not a state or local government employee shall be reimbursed for travel expenses incurred as a result of his or her duties with the board in accordance with the provisions of the comprehensive travel regulations as promulgated by the Department of Finance and Administration and approved by the Attorney General and Reporter. The Commissioner of General Services shall convene the first meeting of the committee. At its first meeting, the committee shall elect a chair, a vice-chair and such other officers as the board may find necessary and appropriate. Members shall serve two (2) year terms and may be re-appointed.

12-3-1102. It is the duty of the advisory committee to advise the General Assembly of changes or additions to existing law that are needed to ensure that state agencies and local governments can apply technology that facilitates the best possible stewardship of public funds. In addition, the advisory committee shall monitor all initiatives related to the use of the Internet for state and local purchasing.

12-3-1103. The advisory committee shall adopt rules governing its proceedings, and shall keep a permanent and accurate record of all its proceedings. For purposes of administration, the committee will be attached to the Department of General Services.

SECTION 6. This act shall take effect upon becoming a law, the public welfare requiring it.

PASSED: May 27, 1999

  
JIMMY RAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

  
JOHN S. WILDER  
SPEAKER OF THE SENATE

APPROVED this 14th day of June 1999

  
DON SUNDQUIST, GOVERNOR